

Filed for intro on 01/28/2002
SENATE BILL 2274 By
Ford J

HOUSE BILL 2341
By Bowers

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 4, Part 19, relative to the imposition of an additional rental car tax by a county that will use the proceeds thereof for the payment of bonded indebtedness or other costs incurred by the county, any city located therein or a sports authority created under Tennessee Code Annotated, Title 7, Chapter 67, for modification or construction of an arena facility for a National Basketball Association member professional basketball team.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-1907 (c), is amended by deleting subdivision (3) in its entirety and by substituting instead the following language:

(3) The county clerk in administering and enforcing the surcharge or tax shall additionally have those powers and duties with respect to collecting taxes as provided in Title 67, including without limitation the collection of interest and penalties on businesses to the same extent and manner provided in Section 67-4-1408 with respect to the hotel occupancy tax, or as otherwise provided by law.

SECTION 2. Tennessee Code Annotated, Section 67-4-1907, is amended by adding the following new subsection (g):

(g) Notwithstanding any other provision of this section to the contrary, in the event that the county and a city within the county shall create or have created a sports authority pursuant to the provisions of Title 7, Chapter 67, and such sports authority issues bonds, including refunding bonds, for the purpose of paying the costs incurred in the modification or construction of an arena facility for a National Basketball Association member professional basketball team, then all revenues received by the county from the surcharge or tax deposited in the NBA Arena Fund shall be transferred no less than monthly to a fund of the sports authority to be applied to the punctual payment of the principal and interest on such bonds, required reserves, administrative costs, and capital repair or improvement costs payable by the sports authority in connection with the arena facilities. In the event the revenue from such tax deposited with the sports authority in any fiscal year exceeds the payment of principal and interest on such bonds, required reserves, administrative costs and capital repair or improvement costs payable by the sports authority in such year, then such surplus revenue shall be deposited with the sports authority to be held in a fund to be applied to such future costs of the sports authority. In the event the total bonded indebtedness incurred for the construction of such arena facility by the sports authority shall be paid in full as to bond principal and interest, including expenses of the bond sale or sales and other remaining costs payable by the sports authority in connection with such arena facility, then the total revenue from this tax shall be applied in the manner set forth in subsection (d), and shall terminate at the time set forth in subsection (f). For purposes of this subsection (g) only, the bonded indebtedness of the sports authority shall be considered paid in full whenever the bonded indebtedness obligation to the holders of such obligation

shall have been satisfied in full even though such obligation may have been paid in part from sources other than the revenue of this tax.

SECTION 3. This act shall have no effect unless approved by a two-thirds (2/3) vote of the County Legislative Body before January 1, 2003.

SECTION 4. For purposes of approving or rejecting the provisions of this act it shall be effective upon becoming a law, the public welfare requiring it. For all other provisions, it shall become effective upon being approved as provided in Section 3, the public welfare requiring it.